

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2016-390-C, ORDER 2017-_____**

In re:)	
)	
PETITION OF UNITED TELEPHONE)	
COMPANY OF THE CAROLINAS LLC)	
D/B/A CENTURYLINK, FRONTIER)	
COMMUNICATIONS OF THE)	ORDER GRANTING
CAROLINAS, INC., LEAD PETITIONERS)	WAIVER OF REG. §103-631
AND DEX MEDIA, INC.,)	(PRINT DIRECTORIES)
FOR FULL OR PARTIAL WAIVER FROM))	
DIRECTORY REQUIREMENTS OF)	
SCCR § 103-631)	

This matter came before the Public Service Commission of South Carolina (“Commission”) by way of the Petition filed jointly by United Telephone Company of the Carolinas LLC d/b/a CenturyLink (“CenturyLink”) and Frontier Communications of the Carolinas, Inc. (“Frontier”) along with Dex Media, Inc. (“Dex Media”) (collectively, “Petitioners”), seeking a waiver of S.C. Code Reg. § 103-631 (“Rule”), which requires telecommunications utilities to “publish” and “distribute” to all customers a directory at “regular” intervals.¹ The Petition was filed pursuant to S.C. Code § 58-3-140, which vests the Commission with the “power and jurisdiction to ... fix just and reasonable ... regulations [and] practices [to be] followed by every public utility....” .

Frontier was represented in this matter by C. Jo Anne Wessinger Hill, Esq; CenturyLink was represented by Scott Elliott, Esq. and Jeanne W. Stockman, Esq.; Dex Media was represented by Charles L.A. Terreni, Esq. and Brooks E. Harlow, Esq. The Office of Regulatory Staff was represented by Jeffrey M. Nelson, Esq. The Petition was filed with and supported by the verified

¹ Compliance with S.C. Code §§ 58-9-10 and 58-9-576, which require provision of “listings,” will continue unaffected in any way by the Petition or this order.

testimony of Jeronimos Konidaris in Support of the Petition for Waiver from SCCR § 103-631. The testimony of Mr. Konidaris provided background on the telecommunications and directory markets, explained how changing technologies and consumer behaviors have impacted those markets, outlined the proposed changes and conditions, previewed how Dex Media would transition its directories from print to digital over time, and explained how the public interest would still be protected if the requested waivers were granted subject to the conditions proposed in the Petition. There was no opposition to the Petition.

After consideration of the applicable law, the Petitioners' Petition, and the testimony filed with the Petition, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Petitioners CenturyLink and Frontier are telephone utilities operating in South Carolina and subject to the jurisdiction and regulations of the Commission. Petitioner Dex Media is the official directory publisher for CenturyLink and Frontier and, pursuant to contract, publishes and distributes the directories to the customers of CenturyLink and Frontier that comply with S.C. Code Reg. § 103-631.

2. Petitioners have requested a waiver subject to the following conditions:

- a. In CenturyLink and Frontier exchange areas where directories are not automatically distributed to CenturyLink or Frontier customers, Dex Media will continue to provide paper copies to customers on request, delivered free of charge. Customers will be able to call a toll-free number to make the request. Provision of print directories upon request will be continued until the number of requests becomes so miniscule as to make the costs per book prohibitive.
- b. When Petitioners begin to transition an area from having directories automatically delivered to all customers, to a more targeted delivery ("affected directory"), CenturyLink or Frontier will include a bill message advising affected customers of the digital directory web address and that

paper copies of that market's directories are available upon request. The notice will include a toll-free number for a customer to make a request.

- c. Petitioners will continue to make digital versions of all their directories available indefinitely on a website that can be accessed free of charge using a high-speed or dial-up Internet connection.
- d. Petitioners will include all the information required by S.C. Code Reg. § 103-631 ("Content Rule") in the digital directories for as long as this Commission maintains this Content Rule and a publication and distribution requirement applicable to the Content Rule.
- e. Petitioners will continue to include the information required by the Content Rule in the paper versions of the directories that will be provided to customers who request them, for as long as this Commission maintains those regulatory requirements.

3. The Commission has previously noted the shift of consumers from wired to wireless phones. For example, in its Order issued on January 26, 2016 in Docket No. 2015-290-C at p. 26, it observed that less than 53% of adults lived in a household with a landline phone.

4. Among other things, as discussed in the Petition, the migration of consumers from landline to wireless services is having an impact on traditional printed directories. Because only wireless listings are not typically available for inclusion in the traditional directories — especially residential listings — directories are less complete today. Consumers today are much less likely to rely on print directories for basic number lookups and much more likely to turn to digital alternatives, especially on their cellphones. At the same time, there has been a substantial growth in both digital and print alternatives to the official directories of CenturyLink and Frontier. As a result, a significant percentage of CenturyLink and Frontier customers no longer use print directories at all. Continued automatic delivery of printed directories to these customers is wasteful of dollars and natural resources.

5. Over time, Petitioners seek to transition all forms of directories to a digital format,

including residential and business white pages, yellow pages, and other information traditionally printed at the front of those books. CenturyLink and Frontier's directory provider, Dex Media, has developed and already offers digital platforms such as DexKnows.com and Dex Mobile, and also publishes its print directories in a digital format at www.DexPages.com, available without charge to all businesses and consumers. The proposed bill message to CenturyLink and Frontier customers will advise them how to access the online version of the directories.

6. In addition to the Dex Media products, consumers may obtain directory information from a wide variety of sources other than print directories, including online and smart phone applications, as detailed in the Petition. As with traditional yellow pages directories, these applications are advertiser-supported, so that consumers do not pay for searches or lookups. For those few customers who do not have access to the Internet or smart phones and do not automatically receive a directory, the Petitioners will continue to provide printed directories upon request as a transition.

7. The Commission is satisfied that, subject to the proposed conditions, customers will not be harmed by a waiver, resources and the environment will be benefitted, and the availability of print directories for customers who still want them will be preserved until continued production of print directories become cost-prohibitive.

8. However, the Commission also believes that changes in the telephone industry warrant a broader examination of its directory publishing and distribution requirements, and therefore it will hold a workshop, in a separate proceeding, so that interested parties may be heard on whether changes to S.C. Code Reg. 103-631 are needed.

CONCLUSIONS OF LAW

1. The Commission has general jurisdiction over CenturyLink and Frontier as telephone utilities, in accordance with the public service laws of the State of South Carolina.

2. The Commission has the power to regulate the content and provision of directories by telephone utilities operating under its jurisdiction, as well as to modify or waive those regulations, in whole or in part, if a waiver is consistent with the public interest.

3. There are no South Carolina statutes that require directories or that would preclude or limit a waiver of the Commission's directory regulations as found in S.C. Code Reg. § 103-631.

4. Petitioners have shown that good cause exists for the requested waivers and, with the proposed conditions as enumerated above, the waivers are consistent with the public interest.

5. We conclude that the Petitioners' request for conditional waiver of the requirements of S.C. Code Reg. § 103-631 should be granted.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. The conditions proposed in the Petitioners' requested waivers are reasonable and consistent with the public interest. The Commission therefore grants the requested waivers, subject to the conditions listed in the body of this Order, above.
2. The Commission will, in the near future, schedule a workshop to discuss the means by which the segment of the population that does not have a computer, or ready access to a computer, or who want a paper directory, can best be served going forward as directories become digitized.
3. This Order shall remain in full force and effect until further order of the Commission.

IT IS SO ORDERED,

Swain E. Whitfield, Chairman

ATTEST:

Comer H. "Randy" Randall, Vice-Chairman